
SENATE BILL No. 352

DIGEST OF INTRODUCED BILL

Citations Affected: IC 6-1.1-12; IC 6-6-5-5.

Synopsis: Veteran's property tax deduction. Allows certain property tax deductions available to a veteran or surviving spouse of a veteran to be applied to property that is owned by a trust or other entity if: (1) the veteran or surviving spouse has a beneficial interest in the trust or other entity; and (2) the property is used by the veteran or surviving spouse as a principal residence. Allows a veteran or surviving spouse of a veteran to obtain a veteran's credit against auto excise tax if a trust or other entity owns or is purchasing under contract the individual's residence.

Effective: Upon passage.

Kenley

January 8, 2002, read first time and referred to Committee on Finance.

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Second Regular Session 112th General Assembly (2002)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2001 General Assembly.

SENATE BILL No. 352

A BILL FOR AN ACT to amend the Indiana Code concerning taxation.

Be it enacted by the General Assembly of the State of Indiana:

- 1 SECTION 1. IC 6-1.1-12-13, AS AMENDED BY P.L.291-2001,
2 SECTION 135, IS AMENDED TO READ AS FOLLOWS
3 [EFFECTIVE UPON PASSAGE]: Sec. 13. (a) Except as provided in
4 section 40.5 of this chapter, an individual may have twelve thousand
5 dollars (\$12,000) deducted from the assessed value of the taxable
6 tangible property that the individual owns, or real property, a mobile
7 home not assessed as real property, or a manufactured home not
8 assessed as real property that the individual is buying under a contract
9 that provides that the individual is to pay property taxes on the real
10 property, mobile home, or manufactured home, if the contract or a
11 memorandum of the contract is recorded in the county recorder's office
12 and if:
13 (1) the individual served in the military or naval forces of the
14 United States during any of its wars;
15 (2) the individual received an honorable discharge;
16 (3) the individual is disabled with a service connected disability
17 of ten percent (10%) or more; and



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(4) the individual's disability is evidenced by:

(A) a pension certificate, an award of compensation, or a disability compensation check issued by the United States Department of Veterans Affairs; or

(B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a deduction under this section.

(b) The surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) One who receives the deduction provided by this section may not receive the deduction provided by section 16 of this chapter. However, the individual may receive any other property tax deduction which the individual is entitled to by law.

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or manufactured home.

(e) The deduction provided under this section applies to the tangible property of a taxpayer that is not an individual to the same extent as if the tangible property were owned or being purchased under contract by an individual if:

(1) an individual who is entitled to a deduction under this section uses the tangible property as the individual's principal place of residence;

(2) the individual has a beneficial interest in the taxpayer;

(3) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and

(4) the residence consists of:

(A) a single family dwelling, mobile home, or manufactured home; or

(B) a single family dwelling, mobile home, or manufactured home and real property, not exceeding one

(1) acre, that immediately surrounds the single family dwelling, mobile home, or manufactured home.

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Except as provided in section 17.8 of this chapter, the individual with a beneficial interest in the taxpayer may claim the deduction for the taxpayer under section 15 of this chapter.

SECTION 2. IC 6-1.1-12-14, AS AMENDED BY P.L.291-2001, SECTION 136, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 14. (a) Except as provided in subsection (c) and except as provided in section 40.5 of this chapter, an individual may have the sum of six thousand dollars (\$6,000) deducted from the assessed value of the tangible property that the individual owns (or the real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the individual is buying under a contract that provides that the individual is to pay property taxes on the real property, mobile home, or manufactured home if the contract or a memorandum of the contract is recorded in the county recorder's office) if:

- (1) the individual served in the military or naval forces of the United States for at least ninety (90) days;
- (2) the individual received an honorable discharge;
- (3) the individual either:
 - (A) is totally disabled; or
 - (B) is at least sixty-two (62) years old and has a disability of at least ten percent (10%); and
- (4) the individual's disability is evidenced by:
 - (A) a pension certificate or an award of compensation issued by the United States Department of Veterans Affairs; or
 - (B) a certificate of eligibility issued to the individual by the Indiana department of veterans' affairs after the Indiana department of veterans' affairs has determined that the individual's disability qualifies the individual to receive a deduction under this section.

(b) Except as provided in subsection (c), the surviving spouse of an individual may receive the deduction provided by this section if the individual would qualify for the deduction if the individual were alive.

(c) No one is entitled to the deduction provided by this section if the assessed value of the individual's tangible property, as shown by the tax duplicate, exceeds fifty-four thousand dollars (\$54,000).

(d) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided under this section against that real property, mobile home, or

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1 manufactured home.

2 (e) The deduction provided under this section applies to the
3 tangible property of a taxpayer that is not an individual to the
4 same extent as if the tangible property were owned or being
5 purchased under contract by an individual if:

6 (1) an individual who is entitled to a deduction under this
7 section uses the tangible property as the individual's principal
8 place of residence;

9 (2) the individual has a beneficial interest in the taxpayer;

10 (3) the taxpayer either owns the residence or is buying it
11 under a contract, recorded in the county recorder's office,
12 that provides that the individual is to pay the property taxes
13 on the residence; and

14 (4) the residence consists of:

15 (A) a single family dwelling, mobile home, or
16 manufactured home; or

17 (B) a single family dwelling, mobile home, or
18 manufactured home and real property, not exceeding one

19 (1) acre, that immediately surrounds the single family
20 dwelling, mobile home, or manufactured home.

21 Except as provided in section 17.8 of this chapter, the individual
22 with a beneficial interest in the taxpayer may claim the deduction
23 for the taxpayer under section 15 of this chapter.

24 SECTION 3. IC 6-1.1-12-15, AS AMENDED BY P.L.291-2001,
25 SECTION 137, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE UPON PASSAGE]: Sec. 15. (a) Except as provided in
27 section 17.8 of this chapter, an individual who desires to claim the
28 deduction provided by section 13 or section 14 of this chapter must file
29 a statement with the auditor of the county in which the individual
30 resides. The statement must be filed during the twelve (12) months
31 before May 11 of each year for which the individual wishes to obtain
32 the deduction. The statement may be filed in person or by mail. If
33 mailed, the mailing must be postmarked on or before the last day for
34 filing. The statement shall contain a sworn declaration that the
35 individual is entitled to the deduction.

36 (b) In addition to the statement, the individual shall submit to the
37 county auditor for the auditor's inspection:

38 (1) a pension certificate, an award of compensation, or a disability
39 compensation check issued by the United States Department of
40 Veterans Affairs if the individual claims the deduction provided
41 by section 13 of this chapter;

42 (2) a pension certificate or an award of compensation issued by



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the United States Department of Veterans Affairs if the individual claims the deduction provided by section 14 of this chapter; or (3) the appropriate certificate of eligibility issued to the individual by the Indiana department of veterans' affairs if the individual claims the deduction provided by section 13 or 14 of this chapter.

(c) If the individual claiming the deduction is under guardianship, the guardian shall file the statement required by this section.

(d) If the individual claiming a deduction under section 13 or 14 of this chapter is buying real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property under a contract that provides that the individual is to pay property taxes for the real estate, mobile home, or manufactured home, the statement required by this section must contain the record number and page where the contract or memorandum of the contract is recorded.

(e) If an individual applies for a deduction for a taxpayer in which the individual has a beneficial interest, the individual must include in the statement filed under this section a sworn statement that indicates that the individual has a beneficial interest in the taxpayer and briefly describing what that beneficial interest is.

SECTION 4. IC 6-1.1-12-16, AS AMENDED BY P.L.291-2001, SECTION 138, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 16. (a) Except as provided in section 40.5 of this chapter, a surviving spouse may have the sum of nine thousand dollars (\$9,000) deducted from the assessed value of his or her tangible property, or real property, mobile home not assessed as real property, or manufactured home not assessed as real property that the surviving spouse is buying under a contract that provides that he is to pay property taxes on the real property, mobile home, or manufactured home, if the contract or a memorandum of the contract is recorded in the county recorder's office, and if:

(1) the deceased spouse served in the military or naval forces of the United States before November 12, 1918; and

(2) the deceased spouse received an honorable discharge.

(b) A surviving spouse who receives the deduction provided by this section may not receive the deduction provided by section 13 of this chapter. However, he or she may receive any other deduction which he or she is entitled to by law.

(c) An individual who has sold real property, a mobile home not assessed as real property, or a manufactured home not assessed as real property to another person under a contract that provides that the contract buyer is to pay the property taxes on the real property, mobile home, or manufactured home may not claim the deduction provided

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under this section against that real property, mobile home, or manufactured home.

(d) The deduction provided under this section applies to the tangible property of a taxpayer that is not an individual to the same extent as if the tangible property were owned or being purchased under contract by an individual if:

(1) an individual who is entitled to a deduction under this section uses the tangible property as the individual's principal place of residence;

(2) the individual has a beneficial interest in the taxpayer;

(3) the taxpayer either owns the residence or is buying it under a contract, recorded in the county recorder's office, that provides that the individual is to pay the property taxes on the residence; and

(4) the residence consists of:

(A) a single family dwelling, mobile home, or manufactured home; or

(B) a single family dwelling, mobile home, or manufactured home and real property, not exceeding one

(1) acre, that immediately surrounds the single family dwelling, mobile home, or manufactured home.

Except as provided in section 17.8 of this chapter, the individual with a beneficial interest in the taxpayer may claim the deduction for the taxpayer under section 17 of this chapter.

SECTION 5. IC 6-1.1-12-17 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17. Except as provided in section 17.8 of this chapter, a surviving spouse who desires to claim the deduction provided by section 16 of this chapter must file a statement with the auditor of the county in which the surviving spouse resides. The statement must be filed during the twelve (12) months before May 11 of each year for which the surviving spouse wishes to obtain the deduction. The statement may be filed in person or by mail. If mailed, the mailing must be postmarked on or before the last day for filing. The statement shall contain:

(1) a sworn statement that the surviving spouse is entitled to the deduction; and

(2) the record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the real property on a contract that provides that the individual is to pay property taxes on the real property.

In addition to the statement, the surviving spouse shall submit to the county auditor for the auditor's inspection a letter or certificate from the

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1 United States Department of Veterans Affairs establishing the service
 2 of the deceased spouse in the military or naval forces of the United
 3 States before November 12, 1918. **If an individual applies for a**
 4 **deduction for a taxpayer in which the individual has a beneficial**
 5 **interest, the individual must include in the statement filed under**
 6 **this section a sworn statement that indicates that the individual has**
 7 **a beneficial interest in the taxpayer and briefly describing what**
 8 **that beneficial interest is.**

9 SECTION 6. IC 6-1.1-12-17.4, AS AMENDED BY P.L.291-2001,
 10 SECTION 139, IS AMENDED TO READ AS FOLLOWS
 11 [EFFECTIVE UPON PASSAGE]: Sec. 17.4. (a) Except as provided in
 12 section 40.5 of this chapter, a World War I veteran who is a resident of
 13 Indiana is entitled to have the sum of nine thousand dollars (\$9,000)
 14 deducted from the assessed valuation of the real property (including a
 15 mobile home that is assessed as real property), mobile home that is not
 16 assessed as real property, or manufactured home that is not assessed as
 17 real property the veteran owns or is buying under a contract that
 18 requires the veteran to pay property taxes on the real property, if the
 19 contract or a memorandum of the contract is recorded in the county
 20 recorder's office, if:

- 21 (1) the real property, mobile home, or manufactured home is the
- 22 veteran's principal residence;
- 23 (2) the assessed valuation of the real property, mobile home, or
- 24 manufactured home does not exceed seventy-eight thousand
- 25 dollars (\$78,000); and
- 26 (3) the veteran owns the real property, mobile home, or
- 27 manufactured home for at least one (1) year before claiming the
- 28 deduction.

29 (b) An individual may not be denied the deduction provided by this
 30 section because the individual is absent from the individual's principal
 31 residence while in a nursing home or hospital.

32 (c) For purposes of this section, if real property, a mobile home, or
 33 a manufactured home is owned by a husband and wife as tenants by the
 34 entirety, only one (1) deduction may be allowed under this section.
 35 However, the deduction provided in this section applies if either spouse
 36 satisfies the requirements prescribed in subsection (a).

37 (d) An individual who has sold real property, a mobile home not
 38 assessed as real property, or a manufactured home not assessed as real
 39 property to another person under a contract that provides that the
 40 contract buyer is to pay the property taxes on the real property, mobile
 41 home, or manufactured home may not claim the deduction provided
 42 under this section with respect to that real property, mobile home, or

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1 manufactured home.

2 (e) The deduction provided under this section applies to the
3 tangible property of a taxpayer that is not an individual to the
4 same extent as if the tangible property were owned or being
5 purchased under contract by an individual if:

6 (1) an individual who is entitled to a deduction under this
7 section uses the tangible property as the individual's principal
8 place of residence;

9 (2) the individual has a beneficial interest in the taxpayer;

10 (3) the taxpayer either owns the residence or is buying it
11 under a contract, recorded in the county recorder's office,
12 that provides that the individual is to pay the property taxes
13 on the residence; and

14 (4) the residence consists of:

15 (A) a single family dwelling, mobile home, or
16 manufactured home; or

17 (B) a single family dwelling, mobile home, or
18 manufactured home and real property, not exceeding one

19 (1) acre, that immediately surrounds the single family
20 dwelling, mobile home, or manufactured home.

21 Except as provided in section 17.8 of this chapter, the individual
22 with a beneficial interest in the taxpayer may claim the deduction
23 for the taxpayer under section 17.5 of this chapter.

24 SECTION 7. IC 6-1.1-12-17.5, AS AMENDED BY P.L.291-2001,
25 SECTION 140, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE UPON PASSAGE]: Sec. 17.5. (a) Except as provided in
27 section 17.8 of this chapter, a veteran who desires to claim the
28 deduction provided in section 17.4 of this chapter must file a sworn
29 statement, on forms prescribed by the ~~state board~~ **department of tax**
30 ~~commissioners,~~ **local government finance** with the auditor of the
31 county in which the real property, mobile home, or manufactured home
32 is assessed. The veteran must file the statement during the twelve (12)
33 months before May 11 of each year for which he wishes to obtain the
34 deduction. The statement may be filed in person or by mail. If mailed,
35 the mailing must be postmarked on or before the last day for filing.

36 (b) The statement required under this section shall be in affidavit
37 form or require verification under penalties of perjury. The statement
38 shall be filed in duplicate if the veteran has, or is buying under a
39 contract, real property in more than one (1) county or in more than one
40 (1) taxing district in the same county. The statement shall contain:

41 (1) a description and the assessed value of the real property,
42 mobile home, or manufactured home;



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- (2) the veteran's full name and his complete residence address;
- (3) the record number and page where the contract or memorandum of the contract is recorded, if the individual is buying the real property, mobile home, or manufactured home on a contract that provides that he is to pay property taxes on the real property, mobile home, or manufactured home; and
- (4) any additional information which the ~~state board department~~ of ~~tax commissioners~~ **local government finance** may require.

(c) If an individual applies for a deduction for a taxpayer in which the individual has a beneficial interest, the individual must include in the statement filed under this section a sworn statement that indicates that the individual has a beneficial interest in the taxpayer and briefly describing what that beneficial interest is.

SECTION 8. IC 6-1.1-12-17.8, AS AMENDED BY P.L.291-2001, SECTION 141, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE UPON PASSAGE]: Sec. 17.8. (a) An individual **or other taxpayer** who receives a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4 of this chapter in a particular year and who remains eligible for the deduction in the following year is not required to file a statement to apply for the deduction in the following year.

(b) An individual **or other taxpayer** who receives a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4 of this chapter in a particular year and who becomes ineligible for the deduction in the following year shall notify the auditor of the county in which the real property, mobile home, or manufactured home for which he claims the deduction is located of his ineligibility before May 10 of the year in which he becomes ineligible.

(c) The auditor of each county shall, in a particular year, apply a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4 of this chapter to each individual **or other taxpayer** who received the deduction in the preceding year unless the auditor determines that the individual **or other taxpayer** is no longer eligible for the deduction.

(d) An individual who receives a deduction provided under section 1, 9, 11, 13, 14, 16, or 17.4 of this chapter for property that is jointly held with another owner in a particular year and remains eligible for the deduction in the following year is not required to file a statement to reapply for the deduction following the removal of the joint owner if:

- (1) the individual is the sole owner of the property following the death of the individual's spouse;
- (2) the individual is the sole owner of the property following the death of a joint owner who was not the individual's spouse; or
- (3) the individual is awarded sole ownership of the property in a

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divorce decree.

SECTION 9. IC 6-6-5-5 IS AMENDED TO READ AS FOLLOWS
[EFFECTIVE UPON PASSAGE]: Sec. 5. (a) The amount of tax
imposed by this chapter shall be based upon the classification of the
vehicle, as provided in section 4 of this chapter, and the age of the
vehicle, in accordance with the schedule set out in subsection (c) or (d).

(b) A person who owns a vehicle and who:

(1) is entitled to a property tax deduction under IC 6-1.1-12-13,
IC 6-1.1-12-14, IC 6-1.1-12-16, or IC 6-1.1-12-17.4; or

(2) **has a beneficial interest in a taxpayer other than an
individual that is entitled to a property tax deduction under
IC 6-1.1-12-13, IC 6-1.1-12-14, IC 6-1.1-12-16, or
IC 6-1.1-12-17.4;**

is entitled to a credit against the annual license excise tax as follows:
Any remaining deduction from assessed valuation to which the person
is entitled, applicable to property taxes payable in the year in which the
excise tax imposed by this chapter is due, after allowance of the
deduction on real estate and personal property owned by the person,
shall reduce the annual excise tax in the amount of two dollars (\$2) on
each one hundred dollars (\$100) of taxable value or major portion
thereof. The county auditor shall, upon request, furnish a certified
statement to the person verifying the credit allowable under this section
and the statement shall be presented to and retained by the bureau to
support the credit.

(c) After January 1, 1996, the tax schedule is as follows:

Year of					
Manufacture	I	II	III	IV	V
1st	\$12	\$36	\$50	\$50	\$66
2nd	12	30	50	50	57
3rd	12	27	42	50	50
4th	12	24	33	50	50
5th	12	18	24	48	50
6th	12	12	18	36	50
7th	12	12	12	24	42
8th	12	12	12	18	24
9th	12	12	12	12	12
10th	12	12	12	12	12
and thereafter					
Year of					
Manufacture	VI	VII	VIII	IX	X
1st	\$84	\$103	\$123	\$150	\$172
2nd	74	92	110	134	149



1	3rd	63	77	93	115	130
2	4th	52	64	78	98	112
3	5th	50	52	64	82	96
4	6th	50	50	50	65	79
5	7th	49	50	50	52	65
6	8th	30	40	50	50	53
7	9th	18	21	34	40	50
8	10th	12	12	12	12	12
9	and thereafter					
10	Year of					
11	Manufacture	XI	XII	XIII	XIV	XV
12	1st	\$207	\$250	\$300	\$350	\$406
13	2nd	179	217	260	304	353
14	3rd	156	189	225	265	307
15	4th	135	163	184	228	257
16	5th	115	139	150	195	210
17	6th	94	114	121	160	169
18	7th	78	94	96	132	134
19	8th	64	65	65	91	91
20	9th	50	50	50	50	50
21	10th	21	26	30	36	42
22	and thereafter					
23	Year of					
24	Manufacture	XVI	XVII			
25	1st	\$469	\$532			
26	2nd	407	461			
27	3rd	355	398			
28	4th	306	347			
29	5th	261	296			
30	6th	214	242			
31	7th	177	192			
32	8th	129	129			
33	9th	63	63			
34	10th	49	50			
35	and thereafter					

(d) Every vehicle shall be taxed as a vehicle in its first year of manufacture throughout the calendar year in which vehicles of that make and model are first offered for sale in Indiana, except that a vehicle of a make and model first offered for sale in Indiana after August 1 of any year shall continue to be taxed as a vehicle in its first year of manufacture until the end of the calendar year following the year in which it is first offered for sale. Thereafter, the vehicle shall be



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1 considered to have aged one (1) year as of January 1 of each year.

2 SECTION 10. [EFFECTIVE UPON PASSAGE] (a) IC 6-1.1-12-13,
3 IC 6-1.1-12-14, IC 6-1.1-12-16, and IC 6-1.1-12-17.4, all as
4 amended by this act, apply only to property taxes first due and
5 payable after December 31, 2002.

6 (b) Notwithstanding IC 6-1.1-12-15, IC 6-1.1-12-17, and
7 IC 6-1.1-12-17.5, a taxpayer that is not an individual has until June
8 1, 2002, to file an application for a deduction under IC 6-1.1-12-13,
9 IC 6-1.1-12-14, IC 6-1.1-12-16, and IC 6-1.1-12-17.4 for property
10 taxes first due and payable after December 31, 2002.

11 (c) IC 6-6-5-5, as amended by this act, applies only to annual
12 license excise tax for calendar years after 2002.

13 SECTION 11. An emergency is declared for this act.

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